

ASSEMBLY BILL

No. 2366

Introduced by Assembly Member Dickerson

February 21, 2002

An act to amend Section 87103.5 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2366, as introduced, Dickerson. Political Reform Act of 1974: conflicts of interests.

Under the existing Political Reform Act of 1974, a public official at any level of state or local government may not make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision in which he or she knows or has reason to know he or she has a financial interest. Existing law states that a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on any source of income aggregating \$500 or more in value to the public official within 12 months prior to the time when the decision is made. Existing law, however, makes an exception to this provision, and states that a retail customer of a business entity engaged in retail sales of goods or services to the public generally is not a source of income to an official who owns a 10-percent or greater interest in the entity if the retail customers of the business entity constitute a significant segment of the public generally, and the amount of income received by the business entity from the customer is not distinguishable from the amount of income received from its other retail customers.

This bill would, with respect to jurisdictions with a population of 10,000 or less, apply the exception without the condition that the amount of income received by the business entity from the customer must not be distinguishable from the amount of income received from its other retail customers.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 87103.5 of the Government Code is
2 amended to read:

3 87103.5. (a) Notwithstanding subdivision (c) of Section
4 87103, a retail customer of a business entity engaged in retail sales
5 of goods or services to the public generally is not a source of
6 income to an official who owns a 10-percent or greater interest in
7 the entity if the retail customers of the business entity constitute a
8 significant segment of the public generally, and the amount of
9 income received by the business entity from the customer is not
10 distinguishable from the amount of income received from its other
11 retail customers.

12 (b) *Notwithstanding subdivision (c) of Section 87103, in a*
13 *jurisdiction with a population of 10,000 or less, a retail customer*
14 *of a business entity engaged in retail sales of goods or services to*
15 *the public generally is not a source of income to an official of that*
16 *jurisdiction who owns a 10-percent or greater interest in the entity*
17 *if the retail customers of the business entity constitute a significant*
18 *segment of the public generally.*

19 SEC. 2. The Legislature finds and declares that this bill
20 furthers the purposes of the Political Reform Act of 1974 within
21 the meaning of subdivision (a) of Section 81012 of the
22 Government Code.

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